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MAR 29 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

March 29, 2001

Ms Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: *Ex Parte*, CC Docket No. 96-98 (Implementation of the Local Competition  
Provisions of the Telecommunications Act of 1996)

Dear Ms. Salas:

On March 29, 2001, the attached letter was provided to Dorothy Attwood, Common  
Carrier Bureau Chief. Copies were provided to Glenn Reynolds, Michelle Carey, Jonathan Reel,  
Ben Childers, Kyle Dixon, Jordan Goldstein, Rebecca Beynon, and Deena Shetler.

Pursuant to Section 1.1206(a)(1) of the Commission's Rules, an original and one copy of  
this letter are being submitted to the Office of the Secretary.

Please contact me at (202) 736-6467 should you have any questions.

Sincerely,

*Chuck Goldfarb*

Chuck Goldfarb  
Director, Law and Public Policy

Enclosure

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March 29, 2001

Ms. Dorothy Attwood  
Chief, Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

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**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

Re: *Ex Parte*, CC Docket No. 96-98 (Implementation of the Local Competition Provisions of the Telecommunications Act of 1996)

Dear Ms. Attwood:

On March 14, 2001, Victoria Harker and I met with you and members of your staff to describe WorldCom's plan to launch a mass marketing campaign to offer local service to small business customers and also to explain why, without access unbundled ILEC switching (as part of UNE-platform), we and other CLECs are not able to serve most small business customers.<sup>1</sup> We explained that we would not be able to make the investment commitments needed to undertake the mass marketing launch without having certainty about access to UNE-platform over some explicit period of time. Our small business plans would be impossible to implement if access to UNE-platform were a moving target.

In that meeting, you asked us to provide for the record empirical evidence on the extent to which a two-pronged Allegiance Telecom proposal would restrict CLEC access to UNE-platform. We do so in this letter. Allegiance proposed:

... the Commission should find that competitive LECs without access to unbundled local switching are not impaired in their ability to serve *any* business customers in *any* metropolitan statistical areas ("MSAs") in which four or more CLECs have deployed switches, provided that the incumbent LEC provides nondiscriminatory access to the enhanced extended link, or EEL [as defined in the Commission's November 21, 1999 Supplemental Order].

Allegiance alternatively suggests adding a second prong to the four CLEC switch standard. Specifically, the Commission could additionally require that at least

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<sup>1</sup> That meeting was memorialized in an *ex parte* letter that I filed on March 16, 2001.

50% of the serving wire centers in an MSA have four or more collocated CLECs.<sup>2</sup>

In our meeting, we explained that the Allegiance proposal would create exactly that uncertain, moving target access to UNE-platform that makes any commitment to mass marketing most difficult. The deployment decisions of competitors who have chosen to deploy facilities that may never be used to serve very small business customers nonetheless could eliminate our access to facilities essential for serving those same customers. Moreover, neither Allegiance nor any other party has demonstrated that CLECs are able to serve very small business customers simply because they have deployed their own switches and collocations.

The first prong of the Allegiance proposal has two parameters: the number of CLEC switches<sup>3</sup> and nondiscriminatory access to EELs. With respect to the first parameter, according to data published by one market research firm, New Paradigm Resources Group, Inc., in its CLEC Report 2001, there are four or more CLEC switches in 114 cities (see Attachment 1). The Allegiance proposal is based on MSAs, which are larger than cities, and therefore the New Paradigm data must be reviewed to determine how the city-specific data relate to MSAs. On one hand, the New Paradigm city-count would overstate MSA-count to the extent that there is more than one city in an MSA with four or more CLEC switches.<sup>4</sup> On the other hand, the New Paradigm city-count would understate MSA-count to the extent that are four or more CLEC switches in an MSA, but those switches are distributed among several cities in the MSA, none of which has four or more CLEC switches.<sup>5</sup> It is WorldCom's best judgment that the understatement from the latter is likely to be greater than any overstatement from the former, and thus the four CLEC switch requirement of the Allegiance proposal would be met for more than 114 MSAs. Whatever the exact number of MSAs, this parameter of the Allegiance proposal would be met in virtually all sizeable urban areas, in which the vast majority of small American businesses are located.

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<sup>2</sup> *Ex parte* letter from Thomas Jones, Counsel for Allegiance Telecom, to Ms. Magalie Roman Salas, Secretary of the FCC, dated January 30, 2001.

<sup>3</sup> The Allegiance proposal does not distinguish between data switches and voice switches. Nor does it in any way define any minimal switching functionality that must be met for a switch to count toward the four-switch total.

<sup>4</sup> For example, in Appendix B to the Commission's UNE Remand Order, Los Angeles-Long Beach is listed as a single MSA, but Los Angeles and Long Beach are listed separately in the New Paradigm data.

<sup>5</sup> For example, in Appendix B to the Commission's UNE Remand Order, Nassau-Suffolk Counties in suburban New York are listed as an MSA. In the New Paradigm data, switches are listed under the names of towns located in those counties. There are more than four CLEC switches in those towns, but there are no individual towns with four or more switches.

With respect to the EELs requirement, as was made clear in the February 14, 2001 “EELs summit” sponsored by the Common Carrier Bureau, CLECs currently do not have access to EELs. There are fundamental ordering and provisioning problems that are not addressed in the Supplemental Order. And the ILECs have exploited the prohibition on “commingling” UNEs with access services effectively to deny CLECs access to EELs. Thus, currently, the EELs requirement is not met in any MSA.

With respect to the second prong of the Allegiance proposal, the only parties with detailed information on the number of CLEC collocations at ILEC serving wire centers are the ILECs. WorldCom therefore urges the Commission to request the ILECs to submit serving wire center-specific collocation data under the protective order in use in the proceeding, to allow parties to review those data subject to the conditions of that protective order. In the interim, some empirical evidence is available to help guide the Commission.

- In the public versions of their petitions to the Commission for special access pricing flexibility, the RBOCs have filed data, by serving wire center within each MSA for which they sought pricing flexibility, on the number of collocators with non-RBOC entrance facilities. These data show that there are very few RBOC serving wire centers where four or more CLECs have collocated with non-RBOC entrance facilities.<sup>6</sup> Based on these data, no MSA would meet the threshold in the Allegiance second prong. So long as the Allegiance proposal were defined to require both collocation *and* entrance facilities at an ILEC serving wire center, that proposal would have minimal impact today. If, however, the Allegiance proposal were defined to require collocation deployment only, it is not possible to determine from the available data where that simpler requirement would be met.
- On an aggregate basis, there is some information on collocations, though such aggregate data cannot be used to evaluate the impact of the Allegiance proposal.
  - In its March 12, 2001 *ex parte* letter in this proceeding,<sup>7</sup> Verizon claims “in Verizon’s service territory alone, there are more than 12,000 collocation sites,” though it does not define what it means by collocation sites, identify how many of these sites are active, nor indicate how many of these are IXC or other non-CLEC collocations.
  - In The State of Local Competition 2001, prepared by ALTS in February 2001, ALTS identifies 8,201 data CLEC central office collocations. These are small collocation spaces intended to house DSLAMs used to serve data customers, and

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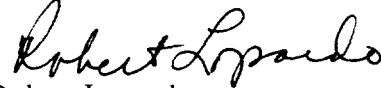
<sup>6</sup> Since these data are voluminous, WorldCom has not attached them to this submission.

<sup>7</sup> Letter from Gordon R. Evans, Vice President, Federal Regulatory, Verizon, to Ms. Dorothy Attwood, Chief, Common Carrier Bureau, dated March 12, 2001.

would not be available to serve small business voice customers.

WorldCom would be happy to discuss these data with staff. We also would appreciate the opportunity to review any serving wire center-specific data filed by the RBOCs under protective order.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Lopardo". The signature is fluid and cursive, with the first name "Robert" and last name "Lopardo" clearly distinguishable.

Robert Lopardo  
Director

Enclosure

cc. Glenn Reynolds  
Michelle Carey  
Jonathan Reel  
Ben Childers  
Kyle Dixon  
Jordan Goldstein  
Rebecca Beynon  
Deena Shetler

Attachment 1

Cities with 4 or more CLEC switches

Source: New Paradigm Resources Group, Inc., CLEC Report 2001, Chapter 8

Birmingham, AL	Huntsville, AL	Mobile, AL
Montgomery, AL	Little Rock, AR	Phoenix, AZ
Tucson, AZ	Irvine, CA	Long Beach, CA
Los Angeles, CA	Oakland, CA	Orange County, CA
Sacramento, CA	San Diego, CA	San Francisco, CA
San Jose, CA	Colorado Springs, CO	Denver, CO
Hartford, CT	Stamford, CT	Washington, DC
Wilmington, DE	Fort Lauderdale, FL	Fort Myers, FL
Jacksonville, FL	Miami, FL	Orlando, FL
Tallahassee, FL	Tampa, FL	West Palm Beach, FL
Atlanta, GA	Augusta, GA	Savannah, GA
Honolulu, HI	Des Moines, IA	Boise, ID
Chicago, IL	Peoria, IL	Indianapolis, IN
Kansas City, KS	Wichita, KS	Louisville, KY
Baton Rouge, LA	Lafayette, LA	New Orleans, LA
Boston, MA	Cambridge, MA	Springfield, MA
Worcester, MA	Baltimore, MD	Portland, ME
Detroit, MI	Grand Rapids, MI	Minneapolis, MN
Saint Paul, MN	Kansas City, MO	Saint Louis, MO
Springfield, MO	Biloxi, MS	Jackson, MS
Billings, MT	Charlotte, NC	Greensboro, NC
Raleigh, NC	Omaha, NE	Manchester, NH
New Brunswick, NJ	Newark, NJ	Albuquerque, NM
Las Vegas, NV	Albany, NY	Buffalo, NY
New York, NY	Rochester, NY	Syracuse, NY
Akron, OH	Cincinnati, OH	Cleveland, OH
Columbus, OH	Dayton, OH	Toledo, OH
Oklahoma City, OK	Tulsa, OK	Eugene, OR
Portland, OR	Harrisburg, PA	Philadelphia, PA
Pittsburgh, PA	Providence, RI	Charleston, SC
Columbia, SC	Grenville, SC	Chattanooga, TN
Knoxville, TN	Memphis, TN	Nashville, TN
Amarillo, TX	Austin, TX	Corpus Christie, TX
Dallas, TX	El Paso, TX	Fort Worth, TX
Houston, TX	Lubbock, TX	San Antonio, TX
Salt Lake City, UT	Hampton Roads, VA	Norfolk, VA
Richmond, VA	Bellingham, WA	Seattle, WA
Spokane, WA	Madison, WI	Milwaukee, WI

Total: 114